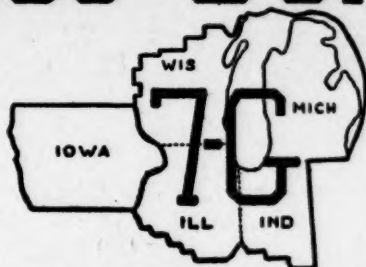


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

Volume 11, No. 6

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NATIONAL SUMMARY OF BUSINESS CONDITIONS

VOLUME of industrial production continued large during April, reflecting chiefly increased output in the metal industries, while activity in industries producing food and clothing decreased. Wholesale and retail trade also declined. The general level of wholesale commodity prices increased in April, reflecting advances in farm products. There were large exports of gold in April and May, member bank loans and their borrowings at the reserve banks continued to increase, and money rates showed further advances.

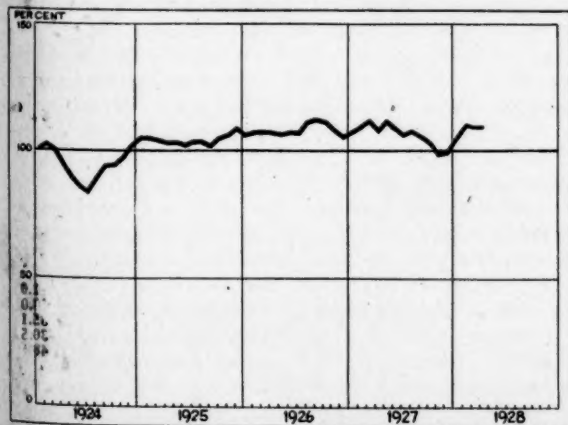
PRODUCTION—Production of manufactures remained in about the same volume in April as in March, while output of minerals declined slightly, owing chiefly to a decrease in production of bituminous coal. Daily average output of iron and steel, copper, and zinc, increased in April, but since the first of May there has been some curtailment in steel-mill activity. Automobile production was maintained in large volume during April and according to preliminary reports, also during the first half of May. Textile mill activity, output of boots and shoes, and meat production showed substantial declines during April. Volume of factory employment declined slightly, reflecting chiefly decreases in the food, leather, and textile industries. Building contracts awarded in April exceeded those for

any previous month, and awards during the first three weeks of May continued in unusually large volume.

TRADE—Sales by department stores and by wholesale firms in most lines of trade declined in April and were in smaller volume than a year ago. Average daily sales of department stores, after allowance is made for the earlier date of Easter and the usual seasonal changes, were smaller in April than in March and were also smaller than in April a year ago. This decrease was due largely to unfavorable weather conditions. Stocks of department stores, after adjustment for seasonal changes, were in about the same volume as in March and slightly smaller than a year ago. Freight carloadings showed an increase between the beginning of April and the middle of May, but for most classes of commodities continued smaller than a year ago.

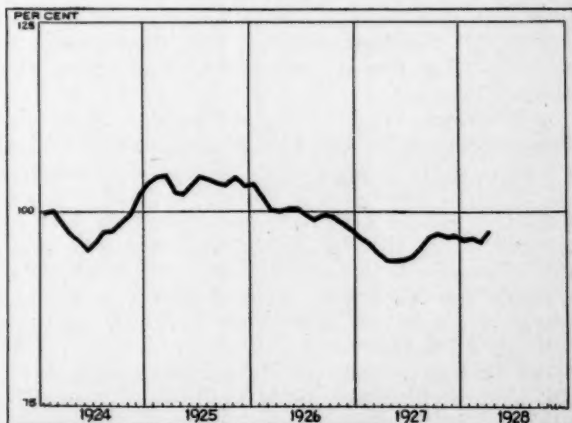
PRICES—The general level of wholesale commodity prices, as indicated by the index of the Bureau of Labor Statistics, increased from 96 per cent of the 1926 average in March to 97.4 per cent in April. This increase reflected sharp advances in the prices of grains, cotton, live stock, and hide and leather products. Rubber prices continued to decline, and most of the other groups of commodities showed little change. During the first three weeks of May

INDUSTRIAL PRODUCTION



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure, April, 1928: 109.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1926 = 100, base adopted by the Bureau). Latest figure, April, 1928: 97.4.

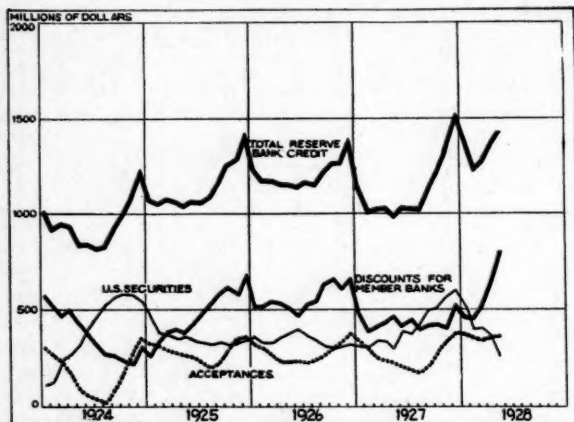
Compiled May 26, 1928

there were decreases in the prices of grains, flour, sheep, and hogs, and increases in copper, zinc, and rubber.

BANK CREDIT—At member banks, loans largely for commercial and industrial purposes, following a rapid increase during February and March, have shown little change since the early part of April. Loans on securities continued to increase, and total loans and investments of reporting member banks in the middle of May were larger than at any previous time.

The outward movement of gold continued in May, the de-

RESERVE BANK CREDIT



Monthly averages of daily figures for twelve Federal Reserve banks. Latest figures, averages for first 23 days in May, 1928: Total Reserve Bank Credit, 1,431 million; Discounts for Member Banks, 803 million; Acceptances, 359 million; U. S. Securities, 267 million.

BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

Industrial operations in the Seventh district showed a moderate recession from a month ago, losses and gains in the various lines, however, tending to counterbalance. Steel mill operations continue approximately on the relatively high level of March. Sales of agricultural machinery are less than in the preceding month, though exhibiting a rise in the yearly comparison. Output of slaughtering establishments in the United States declined as compared with both the preceding month and the corresponding month a year ago. Automobile production continues at a higher rate than last year. Employment data for the March 15 to April 15 period reflect decreased operations in some industries.

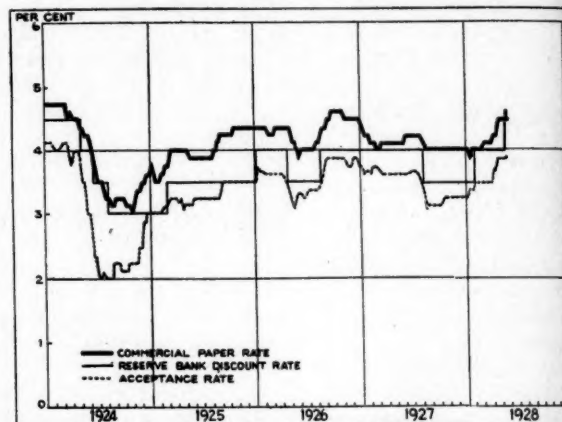
Wholesale trade in this district moved downward as compared with March as well as with the corresponding month in 1927, with the exception of two lines. Department store sales thus far in 1928 exceed the 1927 volume for the same period.

In agriculture, the principal developments have been the improved outlook for oats, good progress of corn planting, and the less favorable prospects for hay and pastures as against 1927. Grain prices in Chicago continued to advance and by the end of April had reached the highest level in over two years. Butter production in the district has shown an increase in the monthly comparison, but dropped as compared with April, 1927. Flour production in April was considerably under the March output, but more than 5 per cent over April, 1927.

The building industry in the district continues on a high level; contracts awarded in April exceeded the March volume as well as that of a year ago. Permits issued in April, however, showed a marked drop in valuation in both comparisons.

cline in monetary gold stock during the four weeks ending May 23 being nearly \$90,000,000. This loss of gold, together with further sales of United States securities by the reserve banks, was reflected in an increase of nearly \$140,000,000 in member bank borrowing at the reserve banks. There were further advances in open market money rates during May, and discount rates at the Federal Reserve Banks of New York, Philadelphia, Cleveland, Atlanta, and Dallas were raised from 4 to 4½ per cent.

MONEY RATES



Weekly rates in New York money market—Commercial paper rate on 4 to 6 months' paper, and acceptance rate on 90-day paper. Latest figures, fourth week in May, 1928: Commercial Paper Rate, 4.625 per cent; New York Reserve Bank Discount Rate, 4½ per cent; Acceptance Rate, 4.0625.

Of major financial interest are the continued firmness in the Chicago money market, expanding volume of payment by check over a year ago, the drop in commercial paper sales from March and from April last year, and the heavier volume of bankers' acceptances in both comparisons. Savings deposits showed gains over March and over April last year.

CREDIT CONDITIONS AND MONEY RATES

Conditions in the Chicago money market continue firm. The volume of loans for commercial purposes has shown a steady gain in Chicago since the last of April, and collateral borrowings have followed a similar trend. The average rate earned on loans and discounts during the calendar month of April by ten large loop banks was 4.93 per cent, compared with 4.84 per cent in March and 4.86 in April a year ago, reflecting stiffened rates which at present are quoted as follows: 4¼ to 4¾ per cent for commercial paper, a rise of ¼ per cent from a month ago; customers' over-the-counter loans 4¾ to 5½ per cent, as against 4¾ to 5 last month; and collateral loans 5¼ to 5½ per cent. Other sections of the district have experienced a slight tightening of credit in recent weeks, though little change has taken place in rate levels outside of Chicago. Demand for credit to meet farm mortgage and tax payments has increased the volume of bank loans in some areas, as has a fairly widespread acceleration in demand for commercial purposes. In Detroit, the average rate earned on loans and discounts during April was 5.38 per cent, a slight rise from the preceding month. The prevailing rate on commercial loans in that city during the week ended May 15 was 4½ to 6 per cent.

The volume of reserve bank credit in use in the district

during recent weeks has been the largest since the early part of January, total bills and securities on May 16 aggregating \$199,698,000 compared with \$166,981,000 April 18. Loans to member banks on May 16 totaled \$112,779,000, as against \$74,298,000 April 18, while holdings of United States Government securities on May 16 had declined to \$39,237,000 from the \$52,745,000 shown April 18. Federal Reserve notes in circulation have exhibited a downward trend in volume, amounting to \$243,989,000 May 16 compared with \$248,381,000 April 18.

Loans and discounts of reporting member banks in the Seventh district totaled \$2,384,881,000 on May 16, a rise of approximately 19 million over the preceding week and of about 76 million over April 18. On May 18, 1927, the aggregate was \$2,222,333,000. Investment holdings of reporting member banks are on a slightly lower level than a month ago, though substantially above last year, \$918,148,000 on May 16 comparing with \$924,384,000 April 18, and \$836,994,000 on May 18, 1927. Net demand deposits on May 16 touched the highest point, \$1,880,158,000, since January 18, when \$1,909,080,000 was reported. On April 18 the item stood at \$1,851,390,000, and on May 18 a year ago at \$1,851,311,000. Time deposits of reporting member banks in the district with a total of \$1,289,893,000 on May 16, touched a new high peak, this total comparing with \$1,287,474,000 the preceding week, \$1,264,418,000 April 18, and \$1,141,861,000 May 18 last year.

Commercial paper sales of eleven dealers in the Middle West aggregated 11.0 per cent less for April than in the preceding month and were 0.8 per cent smaller than a year ago, although four firms showed increases over March and five reported gains over the corresponding month of 1927. The supply of bills remained poor to moderate, with demand indicated as fair. Selling rates were up $\frac{1}{4}$ per cent and ranged from $4\frac{1}{2}$ to $4\frac{3}{4}$ for high and from 4 to $4\frac{1}{4}$ for low, with the customary charge $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent. During the first two weeks of May, 4 to $4\frac{1}{2}$ was quoted as the low and $4\frac{1}{2}$ to $4\frac{3}{4}$ as the high, the average being $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent. Outstandings, reported to this bank by five dealers, declined 2.1 per cent from March 31 and were 4.3 per cent below April 30 last year; holdings of twenty-five dealers in the United States amounted to \$572,000,000.

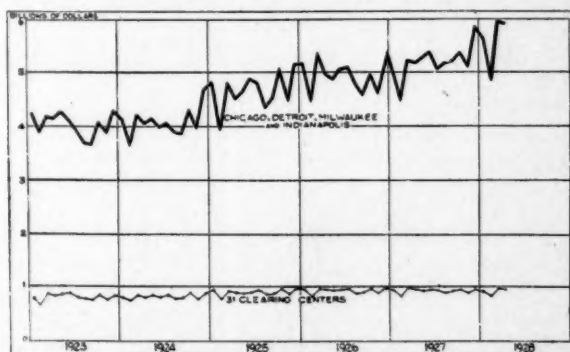
Sales in the Chicago open bill market averaged 26.5 per cent smaller, on an average weekly basis, from April 19 to May 16 than from March 15 to April 18, but remained 25.6 per cent ahead of a year ago, while purchases decreased 6.6 per cent in the former comparison and declined 8.4 per cent in the latter, according to a compilation for six dealers. Inter-office receipts fell 15.1 per cent below the average for March 15 to April 18, although they were 41.4 per cent greater than in 1927. Forwardings to other offices increased somewhat over a month previous, but showed a recession of 73.5 per cent in comparison with last year. Bills largely represented transactions in packing-house products, crude rubber, tobacco, cotton, grain, canned goods, raisins, raw skins, poultry, steel, malt, glass, lumber, artificial silk, olives, machinery, copper, sugar, burlap, biscuits, coffee, soft lead, linseed oil, and dry beans. Supply and demand were indicated as limited to fair during the first two weeks and as fair to good during the remainder of the period. Preference centered on 90-day maturities. Rates closed at slightly firmer levels, the May 16 offerings ranging from $3\frac{3}{4}$ and 4 per cent for 30 days to $4\frac{1}{2}$ and $4\frac{3}{4}$ for 180 days. Holdings showed a gain of 29.3 per cent over those of April 18 and a recession of 31.2 per cent from a year ago.

April acceptances at sixteen banks in the Seventh district exceeded those of the preceding month by 4.6 per cent and

were 46.7 per cent greater than a year ago, while purchases declined 35.7 per cent and increased 4.8 per cent in the respective comparisons. Sales totaled 16.5 per cent larger than in April, 1927, although they fell off 37.0 per cent from March. Individually, nine of the banks reported a smaller volume of bills accepted during April than in the month previous. Bills accepted at three local banks during the first two weeks of May were drawn principally against transactions in crude rubber, packing-house products, electrical machinery, coffee, raw silk, sugar, dates, shoes, straw hats, grain, tobacco, cotton, burlap, and general merchandise, and totaled less than for the corresponding period of April. Liabilities for outstandings were reduced 6.7 per cent from March 31, but remained 27.6 per cent above last year. Holdings showed a gain of 24.0 per cent on April 30 over the end of March and were 67.9 per cent above a year ago; bills still held by the bank of origin increased 25.4 per cent and 193.9 per cent, respectively. The Federal Reserve Bank of Chicago bought \$30,621,868 of bankers' acceptances during the month and had \$42,827,940 on hand April 30.

Volume of Payment by Check—Thirty-seven clearing house centers in the Seventh district reported an aggregate decline from March of 1.5 per cent in the April volume of payment by check, the current aggregate being \$6,864,981,000 compared with \$6,972,688,000 in March. The four larger cities in the district, Chicago, Detroit, Milwaukee, and Indianapolis, showed a drop of 1.0 per cent and the thirty-three smaller reporting centers a decline of 4.9 per cent. Compared with April, 1927, the total for all reporting cities in the district rose 11.7 per cent, and for the four larger centers 14.2 per cent, the thirty-three smaller cities declining 1.6 per cent in this comparison. Chicago with \$4,448,752,000 in April, registered a gain of 1.3 per cent over March and of 16.5 per cent above April, 1927.

VOLUME OF PAYMENT BY CHECK
Checks Drawn on Clearing House Banks—7th District



Figures used are estimates for calendar months, based on weekly reports to this bank. Latest figures, April, 1928, in thousands of dollars: Chicago, Detroit, Milwaukee, and Indianapolis, 5,900,950; 31 Other Clearing House Centers, 933,583.

Savings Deposits—Reports from 207 banks show increases in Seventh district savings on May 1 of 0.07 per cent in number of accounts, 0.5 per cent in total deposits, and 0.46 per cent in average amount over the end of March, and gains of 1.1, 4.2, and 3.1 per cent, respectively, in comparison with last year. Illinois experienced a slight recession, however, from the preceding month, and the number of accounts decreased in Indiana and Iowa.

Michigan and Indiana recorded greater expansion in deposits over a year ago than the rest of the district, while

Wisconsin showed a slight recession in the number of accounts from April 30, 1927. Two-fifths of the individual banks reported the volume of deposits as smaller than on March 31, while a fourth of the reports indicated decreases in the year-to-year comparison.

Bonds—There has been a slight lessening of demand for bonds during recent weeks, a condition attributed in the

main to the diversion of public attention to the stock market, although it is reported that profit-taking operations in stocks have resulted in some increases in bond sales of individual firms. As a result of the stiffening of money rates in Chicago, bond prices have eased somewhat. Dealers' stocks at present are low, and issues well priced find a ready sale.

AGRICULTURAL PRODUCTION AND FOODSTUFFS

Corn planting had made good progress in the Seventh district by the middle of May; the condition of the oats crop has shown an improvement in recent weeks, although present indications point to considerable re-seeding and some abandonment in a number of localities because of poor stands resulting from the frosts late in April. Prospects for hay and pastures were less favorable on May 1 than a year ago. The Bureau of Agricultural Economics, on the basis of May 1 condition, estimates the 1928 crop of winter wheat in the five states including this district as 38,754,000 bushels and of rye as 6,606,000 bushels, compared with respective harvests of 87,524,000 and 9,722,000 bushels in 1927. Winter wheat in the United States is forecast as 486,478,000 bushels, while rye is estimated as 39,368,000 bushels in comparison with the crops of 552,384,000 bushels of winter wheat and 58,572,000 bushels of rye grown last year.

Grain Marketing—Grain moved in and out of United States interior primary markets in smaller quantities during April than in the preceding month, but in larger volume than last year or the 1923-27 average; the tonnage of oats showed some recession, however, from the average, and reforwarding of wheat decreased from a year ago; reshipments of oats slightly exceeded those in March. United States visible supplies of grain were lower on May 12 than on the corresponding Saturday in April. Wheat and barley holdings increased over last year, while stocks of corn, oats, and rye declined. Trading in grain futures by members of the Chicago Board of Trade totaled 40.9 per cent above March and was 96.1 per cent heavier than in April, 1927. Prices at Chicago continued to advance and by the end of April had reached the highest level in over two years. Quotations eased early in May.

FLOUR PRODUCTION IN THE SEVENTH DISTRICT

Changes in April, 1928, from previous months

	PER CENT CHANGE FROM MARCH 1928	APRIL 1927	COMPANIES INCLUDED
Production (bbls.)	-13.9	+ 5.4	32
Stocks of flour at end of month (bbls.)	- 3.0	+34.8	28
Stocks of wheat at end of month (bu.)	-12.6	+ 1.6	28
Sales (volume)	-19.0	- 0.6	13
Sales (value)	-11.6	+ 5.6	13

Production includes wheat and other flours. Balance of items refer to wheat flour only.

Meat Packing—April production at slaughtering establishments in the United States aggregated less than a year ago and was considerably smaller than in the preceding month. Employment for the last payroll in the period showed a decline from March of 3.4 per cent in number of employees, 4.6 per cent in hours worked, and 3.4 per cent in value. Domestic inquiry became active in April for fresh pork and fairly good for lard, smoked meat, and boiled ham; demand tended to improve for lamb, but remained rather slow for beef until the close of the period. Sales billed to domestic and foreign customers were 0.9 per cent greater than in March and 1.2 per cent in excess of last April, according to a compilation for sixty meat packing companies in the United States. Trade in domes-

tic markets remained fair at the beginning of May. Chicago quotations for the majority of pork products averaged higher in April than in the preceding month; prices advanced for lamb and declined for beef. May 1 inventories at packing plants and cold-storage warehouses in the United States were slightly below those of the preceding month, but above a year ago and the 1923-27 May 1 average. Beef holdings decreased in all three comparisons, and lamb stocks increased over April 1, while lamb inventories showed a recession from the five-year average.

Shipments for export were reported as slightly smaller than in March. Foreign demand showed signs of improving during the month; the lamb trade was more or less spasmodic but fairly good as a whole; there was a fair inquiry from the European mainland for fat backs. Prices on the Continent were about in line with the United States; quotations in the United Kingdom remained slightly below Chicago parity. May 1 consignment stocks, already abroad and in transit to Europe, were indicated as about on a level with April 1.

Movement of Live Stock—The marketing of hogs at public stock yards in the United States declined more than the customary amount for April from the preceding month, but continued in excess of a year ago. Cattle receipts increased over March totals, which were unusually small, and showed the first gain in the year-to-year comparisons since last May. The volume of both cattle and hogs decreased from the 1923-27 April average. Lamb receipts were greater than in any of the three periods mentioned above; the supply of calves exceeded that for March, but fell below last April and the five-year average.

LIVE STOCK SLAUGHTER

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District, April, 1928	211,447	621,930	223,485	163,082
Federally Inspected Slaughter U. S.				
April, 1928	623,380	3,446,338	917,728	438,257
March, 1928	664,948	5,139,754	1,015,861	407,200
April, 1927	741,951	3,329,557	959,673	453,956

Reshipments to feed lots showed an expansion in April over the preceding month and a year ago.

AVERAGE PRICES OF LIVE STOCK

(Per hundred pounds at Chicago)

	WEEK ENDED MAY 19 1928	APRIL 1928	MONTHS OF MARCH 1928	APRIL 1927
Native Beef Steers (average)	\$13.30	\$13.10	\$12.85	\$10.95
Fat Cows and Heifers	9.65	9.85	9.45	7.85
Hogs (bulk of sales)	9.65	9.25	8.10	10.75
Yearling Sheep	14.25	13.55	13.75	13.25
Lambs	15.70	16.80	16.15	15.65

Dairy Products—The aggregate tonnage of butter manufactured by seventy-two creameries in the Seventh district was 5.9 per cent greater in April than in March and 8.3 per cent less than a year ago. Statistics of the American Association of Creamery Butter Manufacturers indicate a fairly large gain for the United States over last month and a decline from April, 1927. Sales of creamery butter by seventy-four companies in the district decreased 0.7 per cent in volume from March and 8.3 per cent from last year. Wisconsin factories supplied the primary markets within that state with a 17.2 per cent larger quantity of American

cheese during the five weeks ended May 5 than in the preceding period, the volume being 0.8 per cent in excess of a year ago; redistribution from these centers increased 5.9 and 1.5 per cent in the respective comparisons. Cold-storage warehouses and packing plants in the United States reported a reduction in butter and cheese holdings and a gain in egg stocks on May 1 over the beginning of April. Inventories of cheese and eggs fell below last year, but

exceeded the 1923-27 May 1 average; butter holdings were above a year ago and below the five-year average. Receipts of cheese and eggs increased and those of butter decreased at Chicago during April compared with March, though all showed a recession from a year ago. Chicago prices of butter declined in April from the preceding month, but quotations for eggs and cheese remained about on a level with March.

INDUSTRIAL EMPLOYMENT CONDITIONS

Aggregate employment at manufacturing plants of the district showed a downward trend during the period March 15 to April 15. Plants with about 340,000 workmen on the latter date averaged a decline of 1.2 per cent in men and 2.1 per cent in amount of payrolls. Industrial groups registering the heaviest losses were the textiles, foods, leather, and rubber products. With the exception of the manufacture of furs and fur goods, every branch of the textile and clothing industry showed a decline from the preceding month. Seasonal gains in canning and in the manufacture of ice and ice-cream were not large enough to balance losses in other food products—the meat packing, flour, bakery, and confectionery industries registering heavy curtailments. Time schedules and working forces in tanning and shoe factories were reduced considerably.

The volume of employment in the metals and metal products group was fairly well maintained, increases in some lines offsetting losses in others. Machinery and agricultural implement plants added workers, while electrical apparatus and non-ferrous metals laid off a large number.

Building materials showed no let-up in activity, lumber mills, brick yards, and cement plants increasing their forces. In the furniture industry, work was quiet and men were laid off.

Reports from the Employers' Association of Detroit show a steady increase in employment at that city, the volume on May 8 exceeding that of four weeks earlier by 2.6 per cent. Conditions in the automobile industry, however, are varied, reports for the district as a whole reflecting a gain of only 0.2 per cent in men with a loss of 3.8 per cent in amount of payrolls. Outdoor work is increasing, especially building and road construction, which is to some extent relieving the unemployment situation. In so far as records at the free employment offices on the number of applicants and positions available can reflect the volume of unemployment, there has been a considerable improvement during the past month. At the Illinois offices the ratio of applicants to positions fell from 173 per cent to 156; in Iowa from 336 to 295; and in Indiana there was a drop from 159 to 132 per cent.

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUPS	NUMBER OF WAGE EARNERS			TOTAL EARNINGS		
	WEEK ENDED			WEEK ENDED		
	APRIL 15 1928	MARCH 15 1928	PER CENT CHANGE	APRIL 15 1928	MARCH 15 1928	PER CENT CHANGE
All groups (10)	340,371	344,409	-1.2	\$9,195,552	\$9,392,355	-2.1
Metals and metal products (other than vehicles).....	136,755	137,637	-0.6	3,744,364	3,741,919	+ 0.1
Vehicles	30,161	30,098	+0.2	912,873	948,190	-3.8
Textiles and textile products	25,255	26,210	-3.6	555,076	620,366	-10.5
Food and related products	46,069	47,505	-3.0	1,230,201	1,289,508	-4.6
Stone, clay, and glass products	13,780	13,215	+4.3	384,163	385,342	-0.3
Lumber and its products	27,603	27,908	-1.1	676,140	692,845	-2.4
Chemical products	10,483	10,245	+2.3	272,833	274,372	-0.6
Leather products	14,869	15,500	-4.1	289,623	330,158	-12.3
Rubber products	3,749	3,913	-4.3	88,782	98,405	-9.8
Paper and printing	31,647	32,172	-1.6	1,041,497	1,011,250	+ 3.0

MANUFACTURING ACTIVITIES AND OUTPUT

Automobile Production and Distribution—Output of 364,877 passenger cars during April in the United States shows a decline of 1.9 per cent from the preceding month. An increase in this comparison has been reported in the three previous years. Production exceeded that of April, 1927, however, by 2.2 per cent. Truck output aggregated 45,071 for April, or 8.6 per cent greater than in March and 5.6 per cent under a year ago.

April data furnished by automobile dealers in the Middle West indicate a smaller volume of retail distribution than in either the preceding month or a year ago, although more than half the firms reported increases over March. Sales at wholesale increased over March, but were less than last year, while those of used cars declined in both comparisons. New cars on hand April 30 were less in number and value than on March 31, but above last year; used car stocks declined in number in both comparisons

and increased in value. Sales made on the deferred payment plan were 41.1 per cent of total retail sales, according to the reports of thirty dealers, as compared with a ratio of 39.1 in the preceding month and 38.9 in April, 1927.

MIDWEST DISTRIBUTION OF AUTOMOBILES

Changes in April, 1928, from previous months

	PER CENT CHANGE FROM MARCH 1928	PER CENT CHANGE FROM APRIL 1927	COMPANIES INCLUDED
New cars			
Wholesale—			
Number sold	+ 8.8	-17.2	35
Value	+ 2.4	-18.2	35
Retail—			
Number sold	-15.4	-11.0	50
Value	-2.8	-6.1	50
On hand April 30—			
Number	-14.7	+15.2	51
Value	-10.6	+14.6	51
Used cars			
Number sold	-4.3	-3.5	50
Salable on hand—			
Number	-2.5	-5.9	50
Value	+ 0.3	+13.4	50

Agricultural Machinery and Equipment—The sales of agricultural machinery and equipment billed to domestic and foreign customers by seventy-six manufacturers in the United States decreased in April from March 2.1 per cent for the heavy group and 26.7 per cent for the light group (exclusive of barn supplies), and increased 38.8 per cent for barn equipment. Gains of 29.6, 13.7, and 0.8 per cent, respectively, were shown over a year ago.

PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in April, 1928, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	MARCH 1928	APRIL 1927	
Domestic sales billed	-16.0	+17.8	76
Sales billed for export.....	- 8.7	+42.8	40
Total sales billed	-14.9	+21.4	76
Production	+ 3.3	+26.8	74

Production computed from average employment during the month. Sales based on value.

Iron and Steel Products—April operations at steel mills in the Chicago district remained about on a level with the high rate of March (95 per cent of ingot capacity), although new orders were less. Demand is good, however, and conditions in this section continue satisfactory. The sharp curtailment usual at this season has not been apparent this year. Pig iron production in April for the Illinois and Indiana district increased in the daily average over March, and was higher than in any previous April. Daily average output of pig iron in the United States likewise increased over the preceding month, but fell below the level of a year ago. United States production of steel ingots for April averaged higher in the daily rate than in March and established a record. Unfilled orders of the United States Steel Corporation declined for the second successive month, being reduced from 4,335,206 tons on March 31 to 3,872,133 tons April 30; the amount is higher, however, than for either April, 1927 or 1926.

The composite price of fourteen leading iron and steel products, as compiled by *Iron Trade Review*, has changed only slightly since the drop on April 18 to \$35.56, standing on May 16 at \$35.53; the latter figure compares with \$36.82 on May 18 a year ago. Prices of iron and steel scrap at Chicago displayed a strengthening tendency about the first of May which has been maintained in recent weeks.

Orders booked by steel casting foundries of the Seventh district were larger in April than in March or a year ago; those booked by malleable foundries decreased in the former but increased in tonnage in the latter comparison. Shipments and production of steel castings declined from the preceding month and April, 1927, while in malleable castings these items were also less than a month previous, and shipments were smaller than last year with production larger. Although orders booked in April by stove and furnace manufacturers were larger than a year ago, they declined from March, and shipments were less in both comparisons; production increased over the preceding month but was lower than in April, 1927.

BUILDING MATERIAL AND CONSTRUCTION ACTIVITIES

Sales of lumber by wholesale and manufacturing concerns of the district showed a recession during April, twenty-one firms averaging 11.1 per cent less in dollars and 13.8 per cent less in board feet than for the preceding month. While the board feet sales were only slightly lower than the corresponding month last year, dollar sales declined 7.8 per cent. Outstanding accounts were 128 per

Shoe Manufacturing, Tanning, and Hides—Shoe factories in the Seventh Federal Reserve district operated at a seasonally lower level in April than in March, and continued below a year ago, with the total volume of shipments 1.9 per cent less than current production. Stock shoes reported on hand at the close of the month by twenty-seven companies were equivalent in the aggregate to 108.0 per cent of their April shipments. Unfilled orders on the books of twenty-four concerns gave assurance of six weeks' future operations at the present rate of distribution.

CHANGES IN THE SHOE MANUFACTURING INDUSTRY IN APRIL, 1928, FROM PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	MARCH 1928	APRIL 1927	MARCH 1928	APRIL 1927
Production	-18.1	-13.0	31	31
Shipments	-28.0	-19.1	31	31
Stock shoes on hand.....	+ 4.3	+14.2	27	27
Unfilled orders	+14.3	+13.0	23	22

Leather production and sales in the Seventh district declined from March, but were in excess of a year ago, according to reports sent direct to this bank by representative tanners. Prices held fairly steady.

The marketing of packer green hides and calf skins showed a recession at Chicago in April from the preceding month; shipments from the city and purchases by district tanners also were reported as smaller than in March. Chicago quotations averaged higher for April than for the month previous; prices eased early in May.

Furniture—April orders, shipments, and production of furniture manufacturers in the Seventh district were less than in March or the corresponding month of 1927. Orders booked by twenty-five firms declined 20.0 and 9.9 per cent in the respective comparisons, and shipments fell off 21.5 and 13.9 per cent; the operating rate averaged 71.9 per cent for seventeen companies in April, which compares with 75.9 in March and 81.5 a year ago. Shipments were larger than new orders in April and together with the amount of cancellations effected a decline in unfilled orders on hand April 30 of 11.4 per cent from March 31; unfilled orders were 29.5 per cent less than on the corresponding date last year.

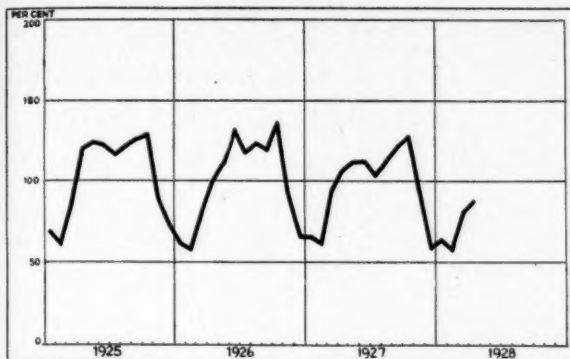
Raw Wool and Finished Woolens—The market for raw wool was somewhat quieter in April than in the preceding month, although dealers report that the volume of sales exceeded those in April, 1927. Prices have been well maintained, and in the medium grades advanced slightly during April; they averaged about fifteen per cent higher than a year ago. Stocks of raw wools in dealers' hands on March 31 (Bureau of the Census report) were lower than on the corresponding date of any year since 1919; manufacturers' stocks were heavier than a year ago. Conditions in the finished goods industry continue spotty, several manufacturers reporting production on a full-time basis and increased sales, while others indicate that business is slow. Because of the higher cost of raw wool, many mills are advancing prices of cloth.

cent of sales, compared with 107 per cent at the close of March and 140 a year ago. Stocks showed little change from a month earlier and only a slight decline from April, 1927.

At retail yards of the district, demand for lumber continued to increase, 140 yards reporting 9.6 per cent larger sales than in March. The new level, however, is still about

13 per cent lower than a year ago, the same difference as was shown a month previous. Outstanding accounts also increased during the month and were 281 per cent of the April sales, in comparison with a ratio of 278 the preceding month and 250 for April 30, 1927. Stocks were about as heavy as at the close of March, but somewhat larger than last year.

LUMBER SALES AT 225 RETAIL YARDS OF THE SEVENTH DISTRICT



Monthly average 1923-1924-1925 = 100. Latest figure, April, 1928: 87.8.

MERCHANDISING CONDITIONS

Wholesale Trade—All reporting lines of wholesale trade showed sales declines in April from March, and with the exception of drugs and electrical supplies, sales were also less than a year ago. These last two lines reported the only gains for the year to date over the corresponding period of 1927. Weather conditions have been a deterrent to business expansion in agricultural sections. April col-

Cement companies report that while a normal seasonal increase of activity was experienced in this industry during the month of April, both production and shipments remain below the volume of a year ago. Production continued slightly ahead of shipments, with a consequent increase in stocks. In the brick industry, shipments were reported from 15 to 20 per cent above March, but considerably under the volume of April, 1927. Production increased slightly, and stocks showed little change from the preceding month.

Building Construction—Contracts awarded in the Seventh Federal Reserve district during April showed a gain of 19.0 per cent over March and of 12.8 per cent over April, 1927. Awards totaled \$128,642,966, of which \$53,743,246 was for residential building. Permit figures, on the other hand, though showing an increase in number due to the construction of smaller units, fell off appreciably in the valuation or estimated cost of the proposed work. For fifty cities of the district, the number of permits issued was 20.2 per cent more than in March, but 14.8 per cent less than in April, 1927. The estimated cost in the same comparisons showed losses of 15.6 and 26.4 per cent, respectively. Although losses and gains were fairly evenly divided among the reporting cities, the aggregate decline was due to the heavy drop of permits in the cities of Chicago and Detroit.

lections in the majority of groups were larger than in the preceding month, but smaller than last year; generally, comments thereon indicate that they are fair or poor. In dry goods and groceries, prices are firm or upward, in shoes they are higher, in drugs and electrical supplies steady or lower, and stationary in hardware.

WHOLESALE TRADE DURING THE MONTH OF APRIL, 1928

	Net Sales During Month PER CENT CHANGE FROM PRECEDING SAME MONTH MONTH LAST YEAR	Stocks at End of Month PER CENT CHANGE FROM PRECEDING SAME MONTH MONTH LAST YEAR	Accounts Outstanding End of Month PER CENT CHANGE FROM PRECEDING SAME MONTH MONTH LAST YEAR	Ratio to Net Sales DURING MONTH	Collections During Month PER CENT CHANGE FROM PRECEDING SAME MONTH MONTH LAST YEAR
Groceries	(35)—6.6 (35)—8.1	(22)+3.1 (22)—7.0	(31)—1.1 (31)—3.8	(31) 117.9	(25)+0.8 (25)+0.6
Hardware	(17)—4.9 (17)—13.0	(11)—1.7 (11)—1.3	(17)+1.8 (17)—3.6	(17) 215.1	(15)+5.7 (15)—10.2
Dry Goods	(13)—17.1 (13)—10.5	(10)—2.6 (10)+6.2	(13)—0.8 (11)—3.8	(13) 355.7	(10)+2.3 (9)—9.6
Drugs	(14)—10.5 (14)+1.5	(12)+2.2 (12)—4.0	(12)—3.6 (13)+0.1	(13) 145.1	(7)—11.0 (6)—7.2
Shoes	(8)—21.8 (8)—13.5	(6)+0.1 (6)+29.7	(7)—2.2 (7)+4.6	(7) 305.7	(6)+22.4 (5)—5.0
Electrical Supplies	(47)—0.6 (45)+3.1	(41)—6.5 (39)—8.0	(44)+6.7 (43)+0.6	(44) 130.4	(34)—3.2 (34)—3.1

Figures in parentheses indicate number of firms included.

Department Store Trade—Partly because of the earlier date of Easter this year and one less trading day, April, 1928, sales of eighty-two department stores in the Seventh district declined 3.3 per cent in the aggregate from April, 1927. For the year to date, however, total sales are 3.2 per cent larger than for the corresponding period of 1927. In comparison with the preceding month, April sales declined 2.0 per cent. With the exception of Detroit, the totals for the larger centers and for fifty-seven smaller cities shared in the declines from March and a year ago; for the first four months of the year, Chicago and Detroit recorded gains over 1927. Stocks on hand April 30 of sixty-three firms were 1.4 per cent heavier than a month previous and 1.2 per cent larger than on the corresponding date of 1927. Stock turnover (the ratio of sales to average stocks) was 32.3 per cent for April, 1928, compared with 33.4 last year; for the year to date the ratio stands at 125.8, against 121.5 in 1927. April collections declined 2.6 per cent from March and gained 2.8 per cent

over a year ago; accounts receivable the end of the month increased 2.6 and 5.0 per cent in these comparisons. Collections totaled 40.3 per cent of accounts receivable March 31, compared with 41.6 per cent for April, 1927.

Retail Shoe Trade—April shoe sales of twenty-four retail dealers and the shoe sections of twenty-one department stores in this district increased 3.0 per cent over March, but declined 11.8 per cent from April a year ago; individually, more than two-thirds the firms reported gains in the monthly comparison and only three in the yearly. For the first four months of 1928, sales totaled 7.6 per cent less than in the corresponding period of 1927. Stocks on hand April 30 of thirty-eight firms averaged 3.1 per cent heavier than a month previous and 3.4 per cent above a year ago. Collections during April of seventeen dealers increased 5.7 per cent over March, and accounts receivable at the end of the month gained 12.1 per cent; as compared with last year these items declined 14.7 and 12.3 per cent, respectively. The ratio of accounts receivable to sales during the month

was 57.0 for April this year, 52.8 in March, and 57.1 for April, 1927.

Retail Furniture Trade—A gain of 28.9 per cent over March was shown in the total of April sales by twenty-four retail furniture dealers in this district and the furniture sections of twenty-four department stores; a decline of 7.9 per cent was reported from a year ago. Stocks on hand April 30 were 2.7 per cent smaller than a month previous and 0.8 per cent heavier than on the corresponding date of 1927. April installment sales of twenty dealers increased 56.4 and decreased 2.5 per cent in the respective monthly and year-to-year comparisons. Collections on installment sales were 1.0 per cent smaller than in March and 15.8 per cent larger than a year ago, while total collections declined 1.7 and 0.7 per cent. Accounts receivable

the end of the month exceeded a month previous by 5.7 per cent and were 3.3 per cent above April 30, 1927.

Chain Store Trade—Although the number of stores operated by twenty-four chains increased 1.0 per cent in April over March, aggregate sales declined 4.2 per cent, all groups except furniture and shoes showing a recession. In comparison with April last year, the number of stores gained 20.1 per cent and total sales 4.4 per cent, grocery, drug, furniture, and men's clothing chains reporting increases, and five-and-ten-cent, cigar, musical instrument, women's clothing, and shoes decreased sales. On the basis of average sales per store, declines of 5.2 and 12.8 per cent were indicated in the respective monthly and yearly comparisons.

MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1923-1924-1925 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve District unless otherwise noted.)

	No. of Firms	Apr. 1928	Mar. 1928	Apr. 1927	Mar. 1927
Meat Packing—(U. S.)—					
Sales (in dollars)	59	103.6	103.3	102.4	102.4
Casting Foundries—					
Shipments:					
Steel—In dollars	15	77.7	92.3	89.5	92.0
In tons	15	79.2	98.5	94.1	95.0
Malleable—In dollars	19	68.8	82.1	72.5	77.7
In tons	16	99.1	111.6	96.8	110.6
Stoves and Furnaces—					
Shipments (in dollars)	12	92.1	96.5	93.4	87.7
Agricultural Machinery & Equipment—(U. S.)—					
Domestic Sales (in dollars)	83	182.2	216.8	154.8	185.1
Exports (in dollars)	56	196.4	211.4	139.2	199.8
Total Sales (in dollars)	83	184.3	216.0	152.3	187.4
Production	82	152.1	143.9	122.7	119.1
Furniture—					
Orders (in dollars)	27	82.6	102.4	90.9	107.7
Shipments (in dollars)	27	91.4	115.6	108.4	125.5
Shoes—					
Production (in pairs)	32	84.3	102.7	103.2	117.8
Shipments (in pairs)	32	82.7	114.5	108.1	127.9
Electric Energy—					
Output of Plants (KWH)	8	137.3	151.2	128.0	138.5
Industrial Sales (KWH)	8	163.1	163.3	145.3	145.7
Flour—					
Production (in bbls.)	32	93.1	108.1	88.3	99.1
Output of Butter by Creameries—					
Production	74	107.0	98.0	113.2	101.3
Sales	74	94.4	94.8	103.5	98.7
Automobiles—					
Distribution in Middle West:					
New cars—Wholesale—Number sold	36	176.0	161.8	197.9	207.8
Value	36	136.4	133.2	160.8	176.3
New cars—Retail—Number sold	89	99.1	117.1	116.1	104.7
Value	89	125.8	129.4	141.3	116.6
New cars—On hand—Number	53	140.7	165.0	127.9	131.8
Value	53	145.5	162.8	132.5	137.7
Used cars—Number sold	83	148.4	155.1	168.0	159.7
Used cars—On hand—Number	51	140.9	144.2	145.5	162.9
Value	51	144.0	143.6	127.6	133.5
Production (U. S.): Passenger cars		124.0	126.3	121.3	117.5
Trucks		125.6	115.8	133.1	135.3
Freight Carloadings—(U. S.)—					
Grain and Grain Products		87.2	102.2	81.4	84.2
Live Stock		79.8	86.1	83.7	82.2
Coal		84.4	93.9	89.5	117.8
Coke		84.9	90.8	95.8	102.9
Forest Products		90.1	95.8	95.7	98.8
Ore		27.1	22.1	69.0	28.4
Merchandise and Miscellaneous		109.3	106.8	110.3	108.4
Total		97.7	99.1	101.3	104.0
Iron and Steel—					
Pig Iron Production:²					
Illinois and Indiana		133.3	133.1	132.7	123.1
United States		108.1	105.1	116.2	114.4
Steel Ingot Production—(U. S.) ³		129.1	125.3	119.1	126.0
Unfilled orders U. S. Steel Corp.		81.1	90.8	72.4	74.4

	No. of Firms	Apr. 1928	Mar. 1928	Apr. 1927	Mar. 1927
Wholesale Trade—					
Net Sales (in dollars):					
Groceries	37	87.7	94.3	95.6	96.9
Hardware	17	84.3	88.1	96.9	102.1
Dry Goods	12	66.4	80.0	73.8	94.0
Drugs	10	97.0	109.9	96.2	104.9
Shoes	8	86.3	110.4	99.8	101.3
Retail Trade (Dept. Stores)—					
Net Sales (in dollars):					
Chicago	7	101.2	104.5	108.2	106.4
Detroit	4	148.3	143.1	138.9	127.7
Indianapolis	5	94.9	105.5	103.4	99.6
Milwaukee	5	103.6	106.9	115.3	96.3
Outside	60	95.7	102.0	106.5	101.9
Seventh District	81	112.8	115.4	117.2	108.5
Retail Trade—(U. S.)—					
Department Stores	565	102	103	111	100
Mail Order Houses	4	115	125	120	125
Chain Stores:					
Grocery	34	202	209	172	174
Drug	13	154	163	144	143
Shoe	7	130	117	150	96
Five and Ten Cent	14	135	133	135	116
Candy	4	130	119	136	115
Apparel	5	195	200	199	148
Cigar	4	100	107	113	111
Stamp Tax Collections—³					
Sales or Transfers of Capital Stock		192.3	226.1	77.2	118.2
Sales of Produce on Exchange—Futures		62.8	57.0	67.6	45.9
U. S. Primary Markets—⁴					
Grain Receipts:					
Oats		60.7	68.0	44.5	48.3
Corn		92.3	182.5	48.0	85.9
Wheat		53.6	75.1	41.5	53.9
Grain Shipments:					
Oats		63.4	61.5	55.0	55.2
Corn		91.8	112.1	57.5	46.4
Wheat		41.2	43.5	52.1	35.3
Building Construction—					
Contracts awarded (in dollars):					
Residential		183.1	168.9	165.6	145.3
Total		187.8	157.8	166.5	181.4
Permits:					
Chicago	Number	64.9	74.6	95.8	122.0
Cost		107.0	129.2	154.9	174.1
Indianapolis	Number	79.7	75.7	94.3	100.4
Cost		86.5	62.4	85.4	132.5
Des Moines	Number	80.4	67.0	63.4	56.7
Cost		40.6	43.2	38.8	36.4
Detroit	Number	90.0	78.5	105.3	87.6
Cost		83.3	143.1	100.2	94.7
Milwaukee	Number	84.9	73.8	97.0	98.9
Cost		111.8	93.2	142.9	130.7
Others (45)	Number	119.3	87.8	137.5	115.5
Cost		111.5	101.8	152.2	140.2
Fifty Cities	Number	96.2	80.0	112.8	104.0
Cost		101.8	120.4	138.1	143.8

1. Monthly average of mean of production and shipments in 1923-24-25 = 100; 2. Average daily production; 3. First Illinois internal revenue district; 4. Monthly average receipts 1923-24-25 = 100.

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